

CONDENSED LICENSING RULES

COMMERCIAL AMUSEMENT GAMES

WAC 230-02-110 GROSS GAMBLING RECEIPTS DEFINED. "Gross gambling receipts" means the monetary value, stated in U.S. currency, due to any operator of a gambling activity for purchase of a chance to play a punch board or pull-tab series; purchase of a chance to enter a raffle; fees or purchase of cards to participate in bingo games; fees for participation in an amusement game, including rent or lease payments paid to licensees or franchisers for allowing operation of an amusement game on their premises; and any fee to participate in, or net win from, any card games or fund-raising events as defined in WAC 230-02-109. The value shall be before any deductions for prizes or other expenses.

Fees from players for entry into a player-supported jackpot held in conjunction with card games are not gross gambling receipts: Provided, That any portion of wagers deducted for any purpose other than increasing current prizes or repayment of amounts used to seed such prizes shall be treated as gross gambling receipts.

WAC 230-02-510 AMUSEMENT DEVICE DEFINED. An amusement device is any mechanical, electro-mechanical, or electronic device through which the operation results in a game or contest which:

- (1) Is played only for entertainment;
- (2) Allows the player to actively participate;
- (3) The outcome of the game or contest depends in a material degree upon the skill of the player; and
- (4) The outcome is not in control of any person other than the player or players.

WAC 230-02-511 ATTENDED AMUSEMENT GAME DEFINED. Any amusement game conducted in a manner requiring the presence or assistance of any natural person as an attendant in the regular operation of the game shall be considered an attended amusement game.

WAC 230-02-512 COMMERCIAL AMUSEMENT GAME OPERATOR DEFINED. A commercial amusement game operator is any person or organization, other than a charitable or nonprofit organization, that receives revenue from the operation, rental, or lease, or otherwise shares in the proceeds of approved amusement games.

WAC 230-02-514 COIN OR TOKEN ACTIVATED AMUSEMENT GAMES DEFINED. Any amusement game consisting of a mechanical, electronic, or electro-mechanical machine or device which allows the player to activate the game by means of inserting one or more coins or tokens, and which dispenses a merchandise prize – or coupons, tickets or tokens which are redeemable for a merchandise prize - upon successfully achieving the stated goal of the game, shall be considered a coin or token activated amusement game. Any such game shall be conducted in accordance with all other rules of the gambling commission and provisions of chapter 9.46 RCW.

WAC 230-02-515 SCHOOL HOURS DEFINED. School hours are defined as 8:00 a.m. through 3:00 p.m., Monday through Friday, using the operating schedule of the public school district in which the activity is located. Provided, That upon written permission of the commission director, school hours may be adjusted to allow participants in school sponsored activities to utilize amusement games at licensed locations.

WAC 230-02-520 SCHOOL-AGED MINORS DEFINED. School-aged minors are defined as persons that are at least six years old and who have not reached an age of eighteen years.

WAC 230-04-020 CERTIFICATION PROCEDURE – GENERAL REQUIREMENTS – MANDATORY TRAINING REQUIRED. Applicants for license from the commission shall submit all applications, including the proper fee, as established by WAC 230-04-202, 230-04-203 or 230-04-204 to the administrative office of the commission in Lacey. The application process is as follows:

(1) The application shall be made using a form provided by the commission. The application form must be completed in every respect, containing all the information and attachments requested;

(2) The application shall be signed under oath by an individual attesting that the information set forth in the application and any accompanying materials is true, accurate and complete and that they assume full responsibility for the fair and lawful operation of all licensed activities that the applicant conducts. The following person(s) shall sign the application:

(a) The highest ranking officer/official of a charitable, nonprofit or profit seeking corporation;

(b) The principal owner of a sole proprietorship;

(c) All partners of a partnership or general partner of a limited partnership; and

(d) The mayor or the mayor's designated representative if the application is being submitted by or on behalf of an incorporated city or town.

(e) The director may also require the following persons to sign the application:

(i) The chairman of the board of directors or trustees;

(ii) The person in charge of financial records; and/or

(iii) Persons with a substantial interest in the applicant business or charitable/nonprofit organization.

(3) The commission will consider only those applications that have been fully completed. Failure to respond to written notification of an incomplete application, within twenty days of such notice, shall be cause for administrative closure of the application. The following reasons will cause an application to be incomplete:

(a) Failure to provide all information requested on the application form and/or attachments;

(b) Failure to provide supplemental information requested during the licensing investigation;

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(c) Failure to attend mandatory preclicensing training;

(d) Failure to provide fingerprints or samples of handwriting; and

(e) Failure to submit proper fees.

(4) The commission may disclose to the public or discuss at a public meeting all information set forth in the application and all supplemental information submitted subject to the exemptions in chapter 42.17 RCW and other applicable laws including, but not limited to, chapter 10.97 RCW: Provided, That consistent with chapter 10.97 RCW, the commission may disclose conviction data of an applicant or licensee.

(5) The commission shall not issue a license until it is satisfied that the applicant is completely qualified to operate the activity for which a license is requested. Prior to issuing a license, the commission will:

(a) Conduct a review and investigation of all information available, whether submitted as a part of the application or otherwise obtained, to the degree deemed necessary to attest to the qualification of the applicant and the gambling premises; and

(b) Require all persons who sign the application, as set out in subsection (2) of this section, plus the manager or other designated person(s) responsible for conducting the gambling activity or completing records, to complete a training course as established and provided by the commission: Provided, That mandatory training shall not be required for manufacturers; manufacturers representatives; or applicants or licensees with special circumstances as approved by the director. Mandatory training shall be completed within the following time lines:

(i) New applicants - Within sixty days of application and prior to being granted a license: Provided, That cardroom employees and bingo managers must attend training no later than thirty days after the first day of work;

(ii) Annual recertification - no later than sixty days after the effective date of the license: Provided, That only those person(s), as set out in subsection (2) of this section, which are newly designated to sign the application since the last license application shall be required to attend training if they have not attended within the previous three years; and

(iii) Changes to managers or other designated persons responsible for conducting gambling activities or completing records - no later than sixty days after the first day of work.

WAC 230-04-022 CERTIFICATION PROCEDURE – INFORMATION REQUIRED FROM ALL APPLICANTS. In addition to other information required by the commission, each applicant shall provide the following information on or attached to the application:

Articles of incorporation and bylaws.

(1) Copy of corporate applicants' articles of incorporation and bylaws; or, if not a corporation, a copy of any bylaws and other documents which set out

the organizational structure and purposes of the organization;

IRS tax exemption letter.

(2) A copy of a nonprofit or charitable applicant's Internal Revenue Service tax exemption letter if one has been obtained;

Lease or rental agreements.

(3) Details and copies of all lease or rental arrangements, whether oral or written, between the applicant and the owner of premises upon which the gambling activity will be conducted, if such premises are leased or rented;

Franchise agreements.

(4) Details and copies of any and all franchise agreements or other agreements, whether written or oral, if any, between the applicant and distributors or manufacturers of equipment or between the applicant and any other person where those agreements relate to gambling activities or gambling equipment;

Management agreements.

(5) Details and copies of all proposed management agreements or contracts between the applicant and any gambling service supplier involved in providing services defined in WAC 230-02-205. All such agreements or contracts shall be reviewed by commission staff prior to the effective dates of the agreements to assure compliance with this title. No financing or management services shall be provided prior to commission approval of the contracts;

Paid employees or agents.

(6) The name, address, date of birth, and Social Security number of each paid employee or agent who will work in the activity for which the license is sought and a schedule of the proposed number of employees, job descriptions, and a proposed pay schedule;

Substantial interest holders.

(7) Sufficient personal information to ensure each substantial interest holder as defined by WAC 230-02-300 is qualified to hold a license or participate in a licensed or authorized gambling activity;

Report changes to application.

(8) If any information required on the application, changes or becomes inaccurate in any way, the commission shall be notified prior to issuance of a license. Failure to notify the commission of any changes affecting an application may constitute grounds for suspension or revocation of all licenses.

Exceptions for cities and towns.

(9) Subsections (1), (2), and (7) of this section shall not apply to applications by or on behalf of an incorporated city or town in the state of Washington.

WAC 230-04-030 COMMISSION MAY POST PUBLIC NOTICE OF LICENSE APPLICATION ON PREMISES. The commission may, at its discretion, place, or require to be conspicuously placed, a notice

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upon each premises upon which a gambling activity is to be conducted under a license for which application has been made. The notice shall advise the public that such license has been requested and that any comments persons wish to make concerning the license application, or the propriety of granting such a license to the applicant(s), or for those premises, may be made to the commission prior to a date certain.

The applicant(s) shall take all reasonable measures to insure that the notice remains posted thereafter until the last day set forth thereon for making comment and shall report to the commission forthwith if said notice has been removed prior to that date.

WAC 230-04-135 COMMERCIAL AMUSEMENT GAMES – LICENSE REQUIRED. Prior to operating, renting, leasing, or otherwise sharing in the proceeds of amusement games operated at any location, commercial amusement game operators shall first obtain a license from the commission. The following requirements apply to commercial amusement game operators:

(1) Class A commercial amusement game licensees may allow a Class B and above licensee to operate amusement games at their business premises.

(2) Class B and above commercial amusement game licensees may locate and operate amusement game at any location authorized by WAC 230-04-138 or rent, lease, or sell amusement devices or amusement game equipment on a time basis to any licensed amusement game operator.

(3) In addition to the requirements for certification as set out in WAC 230-04-020 and all other sections of this title, applicants must provide the following additional information for each operating locations:

(a) All locations:

(i) A list of all locations and time and dates at which the activity will be operated;

(ii) When operated at a location not owned, rented, or leased by the applicant, written permission from the person, organization, county, city or town, or an authorized agent thereof, to locate and operate amusement games at that location;

(iii) Sufficient information to determine the identity and personal qualifications for all "adult supervisors," as required by WAC 230-20-680(2);

(iv) A copy of any rental/lease agreement which allows operation of commercial amusement games at any location not owned or otherwise controlled by a licensee. The document must disclose full details of the rental/lease agreement, including any revenue sharing provisions, all costs to be shared, and any restrictions regarding the number of amusement games to be operated; and

(v) Copies of any contract related to rental, lease, or purchase agreement of amusement game equipment.

(b) Permanent locations. In addition to the information required by (a) of this subsection, all applicants requesting to operate amusement games at locations authorized by WAC 230-04-138 (1)(f), (g),

(h), (i), (j), (k), or (l) must provide details necessary to determine qualification of the location for operation of the activity and include the following minimum details:

(i) Amusement parks, as authorized by WAC 230-04-138 (1)(f): The number of mechanical or aquatic rides, theatrical productions, motion pictures, and slide show presentations available for the public;

(ii) Regional shopping center, as authorized by WAC 230-04-138 (1)(g): The size of the shopping center, in gross square feet not including parking areas;

(iii) Taverns and restaurant with cocktail lounges, as authorized by WAC 230-04-138 (1)(h): Washington state liquor control board license number and expiration date, and a statement of whether minors are prohibited from all portions of the premises;

(iv) Movie theaters, bowling alleys, miniature golf course facilities, skating facilities, and amusement centers, as authorized by WAC 230-04-138 (1)(i): A complete description of the business activities conducted; and if an amusement center, the number of amusement devices and income derived from such devices and all other business activities conducted by the licensee during the last twelve months;

(v) Family entertainment restaurants, as authorized by WAC 230-04-138 (1)(j): The number of amusement devices, theatrical productions, mechanical rides, motion pictures, and slide show presentation available for customers on a daily basis; and the amount of gross income generated from the entire business and that portion of gross income generated from food service for on-premises consumption; and

(vi) Grocery stores as authorized by WAC 230-04-138 (1)(k): The type of retail products sold and size of the store premises, in gross square feet not including parking areas.

(c) Limited duration locations. In addition to the information required by (a) of this subsection, all applicants requesting to operate commercial amusement games must receive written permission from the sponsor of any activity authorized by WAC 230-04-138 (1)(a), (d), or (e) and submit an itinerary that includes planned operating dates for all locations at which the applicant plans operations during the year. This itinerary must be updated any time the dates of operation change.

WAC 230-04-138 COMMERCIAL AMUSEMENT GAMES – AUTHORIZED LOCATIONS. (1) Amusement games may only be conducted by commercial amusement game licensees when operated as a part of, and/or upon the site of:

(a) Any agricultural fair as authorized under chapter 15.76 or 36.37 RCW; or

(b) A civic center of a county, city or town; or

(c) A world's fair or similar exposition which is approved by the Bureau of International Expositions at Paris, France; or

(d) A community-wide civic festival held not more than once annually and sponsored or approved by the city, town, or county in which it is held; or

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(e) A commercial exposition organized and sponsored by an organization or association representing the retail sales and service operators conducting business in a shopping center or other commercial area developed and operating for retail sales and service, but only upon a parking lot or similar area located in said shopping center or commercial area for a period of no more than seventeen consecutive days by any licensee during any calendar year; or

(f) An amusement park. An amusement park is a group of activities, at a permanent location, to which people go to be entertained through a combination of various mechanical or aquatic rides, theatrical productions, motion picture and/or slide show presentation with food and drink service. The amusement park must include at least five different mechanical or aquatic rides, three additional activities and the gross receipts must be primarily from these amusement activities; or

(g) Within a regional shopping center. A regional shopping center is a shopping center developed and operated for retail sales and service by retail sales and service operators and consisting of more than six hundred thousand gross square feet not including parking areas. Amusement games conducted as a part of, and upon the site of, a regional shopping center shall not be subject to the prohibition on leases of premises based on a percentage of gambling receipts set forth in RCW 9.46.120; or

(h) Any location that possesses a valid license from the Washington state liquor control board and prohibits minors on their premises; or

(i) Movie theaters, bowling alleys, miniature golf course facilities, skating facilities, and amusement centers. For the purposes of this section an amusement center shall be defined as a permanent location whose primary source of income is from the operation of ten or more amusement devices; or

(j) Any business whose primary activity is to provide food service for on premises consumption; or

(k) Within a department or grocery store whose primary business is the retail sale of a full line of clothing, accessories, and household goods, or a full line of dry grocery, canned goods, or nonfood items plus some perishable items, or a combination of both, and consisting of more than ten thousand gross square feet of retail and support space not including the parking areas; or

(l) Any premise controlled and operated by a bona fide charitable/nonprofit organization that it currently licensed to operate punchboards and pull tabs and/or bingo if the rent or other consideration paid to the charitable/nonprofit organization is equal to or greater than twenty-two percent of the gross gambling receipts of the activity.

(2) No amusement games may be conducted in any location except in conformance with local zoning, fire, health, and similar regulations.

(3) No amusement games may be conducted in any location(s) without first having obtained written permission to do so from the person or organization

owning the premises or property where the activity will be operated. If the games are conducted as a part of or in conjunction with any of the activities set out in subsection (1)(a), (b), (c), (d), or (e) of this section, written permission must be obtained from the person or organization sponsoring the activity.

(4) All rental agreements relating to use of a premises or site to conduct amusement games must be submitted to the commission as a part of the application.

(5) Any operator licensed to conduct Class B or above amusement games may enter into a contract with the business owner of any of the locations set out in subsection (1)(f), (g), (h), (i), (j), (k), or with charitable/nonprofit organizations set out in subsection (l) of this section to locate and operate amusement games upon their premises if they are licensed to conduct amusement games. All such contracts must be written and specific in terms, setting out the time of the contract, amount of rent or consideration, rent due dates, and all expenses to be borne by each party.

WAC 230-04-180 BACKGROUND CHECKS – FINGERPRINTING. The commission may require background checks prior to issuing any license, certification or permit, on persons holding an interest in a gambling activity; persons holding an interest in a building or equipment used for a gambling activity; and employees of a gambling activity.

(1) A national criminal history background check, using fingerprints submitted to the United States Department of Justice -Federal Bureau of Investigation, shall be conducted to determine the qualifications of applicants for the following licenses, permits or certifications:

(a) Amusement games for commercial use: Class E and above;

(b) Card games: Class E, Class F and house-banked card rooms;

(c) Punch boards/pull-tabs for commercial stimulant: Class F and above;

(d) Manufacturers: Class B and above;

(e) Distributors: Class B and above;

(f) Gambling service suppliers;

(g) Representatives for distributors, manufacturers, gambling service suppliers, and linked bingo prize providers;

(h) Managers of commercial gambling operations;

(i) Public card room employees; and

(j) Linked bingo prize providers.

(2) The commission may require a national criminal history background check, using fingerprints submitted to the United States Department of Justice-Federal Bureau of Investigation, for any other person submitting information to the commission.

WAC 230-04-190 ISSUANCE OF LICENSE – EXPIRATION – RESTRICTIONS. The commission may only issue a license to qualified applicants. All licenses are issued subject to the following restrictions:

(1) The commission may issue the following licenses:

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(a) **Charitable and nonprofit organizations and agricultural fairs.** The commission may issue a license to qualified bona fide charitable or nonprofit organizations or to qualified agricultural fairs to operate each of the following activities upon a specified location:

- (i) Bingo;
- (ii) Raffles;
- (iii) Amusement games;
- (iv) Punch boards and pull-tabs;
- (v) Social card games; and

(vi) Fund raising events as defined in RCW 9.46.0233: Provided, That any agricultural fair authorized under the provisions of chapter 15.76 or 36.37 RCW is prohibited from conducting fund raising events.

(b) **Commercial amusement games.** The commission may issue a separate license to any person to operate amusement games at one or more of the locations listed in WAC 230-04-138.

(c) **Commercial stimulant card games.** The commission may issue a license to any person operating a business primarily engaged in the selling of items of food or drink for consumption on the premises to allow a specified portion of a specified premises to be used by persons to play authorized card games.

(d) **Public card room employee.** The commission may issue a license to any person to perform duties in a public card room.

(e) **Commercial stimulant punch boards and pull-tabs.** The commission may issue a license to a person operating a business primarily engaged in the selling of items of food or drink for consumption on the premises to operate punch boards and pull-tabs upon specified premises.

(f) **Manufacturers and distributors of gambling equipment and paraphernalia.** The commission may issue a separate or combination license to the following:

(i) Manufacturers of punch boards, pull-tabs, devices for the dispensing of pull-tabs, bingo equipment, and other gambling equipment, supplies, and paraphernalia; and

(ii) Distributors of punch boards, pull-tabs, devices for the dispensing of pull-tabs, bingo equipment, and any gambling equipment, supplies, or paraphernalia for use in connection with authorized activities.

(g) **Representatives of manufacturers or distributors.** The commission may issue a separate license to a representative of a manufacturer or distributor to engage in the sale and distribution of gambling equipment and paraphernalia.

(h) **Recreational gaming activity permit.** The commission may issue a permit to an organization that has been in existence for at least six months to conduct a recreational gaming activity as defined by WAC 230-02-505.

License expiration.

(2) Each such license shall be valid for the period of time or the level of gross gambling receipts set forth on the license. In no case shall the time period exceed one year from the date that such license is issued: Provided, That license expiration dates may be adjusted by commission staff to schedule workload. Organizations licensed for more than one activity may have all expiration dates adjusted to end on the same day. Whenever license expiration dates are adjusted under this provision, the required fee shall be prorated by the commission. The prorated fees shall be computed on a monthly basis (i.e., one-twelfth of the annual payment per month) and subtracted from the regular annual fee. A prorated fee will be based on the number of whole months remaining upon approval of a license. For purposes of computing fees under this section, any part of a month in which the activity is authorized to be operated shall be deemed to be a whole month. Any difference between the required fee which exceeds twenty dollars, shall be refunded to the applicant. Specific expiration dates are as follows:

(a) Licenses issued to conduct any authorized activity in connection with and upon the site of a qualified agricultural fair, qualified community-wide civic festival, qualified world's fair, or qualified civic center shall be valid only for the duration of the fair or festival, or, in the case of an activity at a civic center, for the seasons during which the civic center is operating and open to the public. In no event shall such license exceed one calendar year.

(b) A license issued to conduct a raffle in connection with a qualified agricultural fair, qualified community-wide civic festival or qualified world's fair shall be in effect from the date the license was issued through the conclusion of the fair or festival;

(c) A license issued to conduct a card tournament shall be valid only for the duration of the tournament, but in no event shall exceed ten consecutive days;

(d) A license issued to conduct a fund raising event shall be valid only for the place and time set forth in the application or otherwise approved by the commission. The number of events permitted under the license in any calendar year is subject to the limitations set out in RCW 9.46.0233 defining a fund raising event: Provided, That a fund raising event license shall allow an organization to have possession of gambling equipment authorized for use at a fund raising event for a period of one year beginning on the day of the event and to rent such for up to four occasions per year to other organizations licensed to operate fund raising events;

(e) A license issued to an individual shall be valid for a period not to exceed one year from the date the individual was assigned duties requiring a license, the date the license was actually issued, or as set forth elsewhere in this title, whichever occurs first: Provided, That a charitable or nonprofit gambling manager or distributor representative license shall become void upon a change of employer; and

(f) A bingo license that has been limited under the restrictions of WAC 230-20-062 shall expire when

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the level of authorized gross gambling receipts is reached. A license that expires under this subsection shall not be granted an increase in license class for the current license period until all requirements of WAC 230-04-260 have been met or the commission grants an increase in license class under procedures set forth in WAC 230-20-062.

Reinstating expired licenses.

(3) If any licensee fails to submit a properly completed application and all applicable fees prior to the normal expiration date, the license shall expire and the operation of the applicable activity must immediately cease. When a license expires, a new application must then be submitted and a precensuring evaluation/investigation to the extent deemed necessary by the director will be completed prior to granting a license: Provided, That if a properly completed renewal application and fees are received at the commission headquarters office within the fourteen-day period following the expiration date, the commission may reinstate the license using normal renewal procedures. Reinstating a license under this provision does not, in any case, grant authority to operate the activity during the period between the normal expiration date and the date of reinstatement.

Two-part payment plan for license fees.

(4) The commission may allow an applicant renewing an annual license or applying for an additional license to pay the license fee in two payments under the following conditions:

(a) The license fee is at least eight hundred dollars;

(b) The applicant pays an administrative processing fee as set forth in WAC 230-04-202 or 230-04-203, plus one-half of the annual license fee at the time of application or renewal;

(c) Licenses issued under the two-payment plan shall be issued with an expiration date as determined by subsection (2) of this section and a second-half payment due date. If the second-half payment is received on or before the due date, the license will remain in effect until the expiration date. If the licensee fails to submit the second-half payment prior to the due date, the license shall expire and all operations of the activity must stop; and

(d) Gross gambling receipts during the first-half payment period must not exceed fifty percent of the authorized class limitation for annual gross gambling receipts. Licensees whose gross gambling receipts exceed fifty percent of the authorized level shall be required to apply for a license at the appropriate license class as required by WAC 230-04-260 and pay the full upgrade fee, plus an administrative processing fee, as set forth in WAC 230-04-202 and 230-04-203.

Conditions of license issuance.

(5) All activities so licensed are licensed subject to compliance with all of the applicable provisions of chapter 9.46 RCW, including any amendments thereto, all applicable rules and regulations passed by the commission, all other applicable laws of the United

States, the state of Washington and all political subdivisions of the state of Washington which include but are not limited to the following:

- (a) Business licenses or permits;
- (b) Health certificates;
- (c) Fire inspections;
- (d) Use and occupancy permit; and
- (e) Liquor license or permit.

WAC 230-04-210 WITHDRAWAL OF APPLICATION. An application for any license may be withdrawn by the applicant by submitting to the commission a written notice of withdrawal of the application. To be effective, such written notices must be actually received in the office of the commission in Olympia by 5:00 p.m. the day prior to issuance or denial of the license by the commission or its delegate. The fact that an application for a license has previously been withdrawn shall not prejudice any future application for a license from the commission.

WAC 230-04-220 PRORATING AND REFUNDING OF FEES. (1) Unless otherwise provided by law, there will be no prorating or refunding of any license fee subsequent to issuance of a license or permit for the following actions:

- (a) Discontinuation of business;
- (b) Voluntary surrender of a license or permit; and
- (c) When a license or permit has been suspended, revoked, or otherwise canceled.

(2) Upon denial, voluntary withdrawal or administrative closure of an application for license, adoption or change of trade name, or change of location, the commission shall retain that portion of the fee tendered therewith as is necessary to offset its costs of processing and investigating the application: Provided, That the commission shall retain the entire fee when an individual license applicant performs any or all portions of the duties for which a permanent license is sought.

WAC 230-04-230 INTENTIONALLY UNDERSTATING ANTICIPATED REVENUE – PROHIBITED. It shall constitute grounds for revocation or suspension of a license if any applicant intentionally understates the anticipated gross or net receipts from a licensed activity for any purpose.

WAC 230-04-240 SPECIAL INVESTIGATION FEE. In addition to the basic license or permit fees, the commission may require payment of such additional license fees as are necessary to defray the costs of background investigations of applicants for whom adequate background information sources are not readily available, including, but not limited to, applicants who have not resided in the state of Washington for at least one year. The commission may require payment of the estimated additional license fee in advance as a condition precedent to beginning the investigation.

The commission shall notify the applicant as soon as possible after it makes the determination that such

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additional fee is necessary and shall further notify the applicant of the commission's best estimate of what such additional license fee will be: Provided, That such estimate shall not be binding upon the commission. Any applicant may then withdraw his application if he so chooses, as provided under WAC 230-04-210 and 230-04-220.

WAC 230-04-260 EFFECT OF EXCEEDING LICENSE CLASS INCOME LIMIT – PROCEDURES – PENALTIES. During any annual license period, a licensee shall not exceed the gross gambling receipts limits set forth on the license, except as authorized by this section. The following procedures, limitations, and penalties apply to licensees that exceed limits for any license.

Anticipating gambling receipts limit will be exceeded.

(1) Each licensee shall monitor the level of gross gambling receipts received from each gambling activity. When a projection of year-to-date receipts, as applied to the remaining period of the license, indicates that it is reasonably likely that a license will be exceeded, the licensee shall immediately comply with the following:

(a) Apply for a license that authorizes the anticipated level of gross gambling receipts; and

(b) Submit the basic fee required for the new license, less the amount originally submitted for the previous license, plus a change of classification fee required by WAC 230-04-202 or 230-04-203.

(2) Any license upgrade issued by the commission shall be valid only for the remainder of the original term of the license.

Penalty for failing to apply for license upgrade.

(3) Any licensee that fails to comply with the requirements set forth in subsection (1) of this section and exceeds the license class limit within a present or previous license year, may be assessed an exceeding class fee not to exceed fifty percent of the difference between the fees for the present license class and the new license class or one thousand dollars, whichever is less. Upon written notice by the commission assessing an exceeding class fee, a licensee shall remit the proper fee plus all upgrade fees within twenty days. Failure to remit such fees may result in a summary suspension of all licenses held by the licensee pending a hearing for the suspension or revocation of such licenses.

Partial refund of license fees when gambling receipts limit is not achieved.

(4) A licensee shall be allowed to apply for a partial refund of its license fee when its annual gross gambling receipts are less than the minimum for the class of license issued. The amount of refund shall be the difference between fees actually paid to operate during the period and those fees that would normally apply to the level of gross gambling receipts actually received during the period. Such request shall be

made after the end of any annual license period and prior to the end of the next annual license period.

WAC 230-04-270 BAD CHECKS SUBMITTED AS PAYMENT OF FEES. The payment of a license fee by a check, which for any reason is not promptly paid by the drawee bank, shall be grounds for immediate administrative closure of a new application, voiding of a temporary license, or revocation of a continuing license. If an application or license is administratively closed, voided or revoked under this section, a new application must be submitted with fees payable only by certified check, money order, or cash. Upon notification that a check is not negotiable or when a check must be resubmitted for payment for any reason, the commission shall:

(1) Add a processing charge of thirty dollars to the required license fee; and

(2) Notify the applicant by phone or in writing that payment in full, by certified check, money order, or cash, must be remitted within five days of the notification date. If the proper fee is not received within five days, the commission will proceed with appropriate administrative action.

WAC 230-04-400 DENIAL, SUSPENSION OR REVOCATION OF LICENSES. The commission may deny a license or permit to any applicant, or may suspend or revoke any and all licenses or permits of any holder, when the applicant or holder, or any other person with any interest in the applicant or holder:

(1) Commits any act that constitutes grounds under RCW 9.46.075 for denying, suspending, or revoking licenses or permits;

(2) Has been convicted of, or forfeited bond upon a charge of, or pleaded guilty to, any form of criminal assault, any crime involving a threat of physical harm against another person, or any crime involving an intention to inflict physical harm on another person, whether any of these crimes is a misdemeanor or felony;

(3) Has demonstrated willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level. This includes, but is not limited to, failure to make required gambling tax payments to local taxing authorities, as supported by a petition submitted by the local taxing authority;

(4) Is serving a period of probation or community supervision imposed as a sentence for any criminal offense, whether juvenile, misdemeanor, or felony, and whether or not the offense is covered under RCW 9.46.075(4): Provided, That each case will be individually analyzed to determine the extent to which the probationary or supervisory status affects the person's qualifications to hold a license or permit;

(5) Is the subject of an outstanding gross misdemeanor or felony arrest warrant;

(6) Poses a threat to the effective regulation of gaming or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the

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conduct of gaming activities, as demonstrated through the person's prior activities, criminal record, reputation, habits, or associations;

(7) When other than a charitable or nonprofit organization operates punchboards or pull tabs, or operates or allows card games at any time other than as a commercial stimulant;

(8) Fails to provide at the office of the commission any information required under the commission's rules within the time required therefor by applicable rule, or if no maximum time has been established respecting the particular kind of information by other rule then within thirty days after receiving a written request therefor from the commission or its staff;

(9) Allows any person to participate in the management or operation of any activity regulated by the commission without prior written approval of the commission or its director when that person:

(a) Has been convicted of, pleaded guilty to, or forfeited bond upon any of the offenses set out in RCW 9.46.075(4);

(b) Has violated any other provisions of chapter 9.46 RCW or Title 230 WAC; or

(c) Would otherwise be subject to denial or revocation under the provisions of this section.

(10) If a supplier, manufacturer, financier, or management company knowingly provides or provided goods or services to an entity that is illegally operating gambling activities or was illegally operating gambling activities at the time such goods or services were provided; and

(11) Commits any other act that the commission determines constitutes a sufficient reason in the public interest for denying, suspending, or revoking licenses or permits.

WAC 230-04-450 DISPLAY OF LICENSES. All licenses or permits granted by the commission shall be prominently displayed in the licensee's gaming area and available for inspection by commission staff, law enforcement agents and the public at all times: Provided, That individual licenses, as set forth in WAC 230-04-204, shall not be required to be on display but must be available to the public upon request.

WAC 230-04-500 LOCAL GAMBLING PROHIBITIONS. The commission shall issue no license to engage in any gambling activity in a county or city after the commission has been adequately notified in writing by the governing body of such county or city that the activity has been prohibited.

WAC 230-08-060 COMMERCIAL AMUSEMENT GAME RECORDS. Licensees for the operation of commercial amusement games shall be required to prepare a detailed record for each location games are operated. These records shall be maintained for a period of not less than three years. These records shall include details necessary to determine the gross gambling receipts received from players, the value of prizes awarded, and the fact that prizes were awarded to winners. Records shall include the following:

(1) The gross gambling receipts collected from amusement games at each location or concession, supported by proper receipting records. Records shall contain an entry for each withdrawal of receipts from the games: Provided, That coin or token activated amusement games that meet standards set forth in WAC 230-20-700 shall only require an entry of the ending meter reading, the number of plays, and gross gambling receipts at the end of each month: Provided further, That a summary of the operation of the activity, which includes at least coin-in meter readings and gross gambling receipts, shall be provided to charitable/nonprofit organizations each time a game is serviced and/or moneys disbursed;

(2) The number and actual cost of merchandise prizes awarded for each location reported at a minimum on a monthly basis;

(3) For amusement games that issue tickets for the redemption of prizes the minimum entry shall be a log of the beginning/ending non-resettable ticket out meters or ticket numbers at each collection of funds from each game; and

(4) Full details on all expenses directly related to the conduct of licensed amusement games for each licensee.

WAC 230-08-180 ANNUAL ACTIVITY REPORTS BY COMMERCIAL AMUSEMENT GAME OPERATORS. (License Class B and above) (1) Each licensee for the operation of commercial amusement games Class B and above shall submit an activity report to the commission concerning the operation of the licensed activity and other matters set forth below.

(2) The report form shall be furnished by the commission and the completed report shall be received in the office of the commission or postmarked no later than sixty days following the license expiration date.

(3) The report shall be signed by the highest ranking executive officer or their designee. If the report is prepared by someone other than the licensee or their employee, then the preparer's name and business telephone number must be provided.

(4) The report shall be completed in accordance with the related instructions furnished with the report.

WAC 230-12-300 RESIDENT AGENT TO BE APPOINTED BY OUT-OF-STATE LICENSEES. (1) All licensees that do not own or otherwise maintain a business office or licensed premises within Washington state shall appoint a resident agent for the purpose of receipt and acceptance of service of process and other communications on their behalf from the commission.

(2) The resident agent shall be a natural person who is a resident and living in the state of Washington and who is eighteen years of age or older.

(3) The name and business address where service of process and delivery of mail can be made, and home address of such designated resident agent shall be filed with the commission.

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WAC 230-12-305 LICENSEE REQUIRED TO SUBMIT UPDATED DOCUMENTS OR INFORMATION. In addition to any other requirements set forth in these rules, persons licensed by the commission shall submit any new or updated documents or information including, but not limited to, the following:

(1) Articles of incorporation or by laws, or any other documents which set out the organizational structure and purposes;

(2) Internal Revenue Service tax exemption status (charitable/nonprofit organizations only);

(3) All contracts and agreements, whether oral or written which relate to gambling activities or alter the organizational structure of the licensee or its business activities in Washington state; and

(4) All cash or asset contributions, draws from lines of credit, and loans, from other than recognized financial institutions, which individually or collectively exceed a total of ten thousand dollars during any calendar year: Provided, That cash or asset contributions do not include donations to licensed charitable or nonprofit organizations.

Submission timeline.

(5) The new or updated documents and/or information shall be submitted to the commission no later than sixty days following the transaction(s) date.

WAC 230-12-310 LICENSEES TO REPORT TO THE COMMISSION CIVIL, CRIMINAL AND ADMINISTRATIVE ACTIONS FILED AGAINST THEM. (1) Each licensee shall report to the commission within fourteen days, all criminal actions filed against the licensee or the licensee's president, chief executive officer, chairman of the board, treasurer (chief financial officer), partner, person holding a substantial interest or manager of the licensed gambling activity. The final disposition of the case must be received by the commission within thirty days after the final disposition.

(2) Each licensee shall report to the commission within thirty days, all civil and administrative actions filed by or against persons listed in subsection (1) of this section that involve ownership or control of the business, dissolutions, actions significantly affecting business interests, such as patent or copyright infringement and all administrative actions from other gambling regulatory agencies, including those from other countries and Indian tribes. The final disposition of the case must be received by the commission within thirty days of the final disposition.

(3) The report shall consist of a complete copy of the original documents filed. The licensee shall notify the commission of the final disposition of the case and include a copy of the final documents filed including, but not limited to, settlement agreements.

(4) The director may exempt reporting specific types of civil actions upon written request and for good cause shown.

WAC 230-20-508 AUTHORIZED AMUSEMENT GAMES – TYPES, STANDARDS AND CLASSIFICATIONS. The commission hereby

authorizes the following amusement games, whether coin operated or not, to be operated by persons possessing a commercial amusement game license, or bona fide charitable or nonprofit organizations possessing a license issued by the gambling commission or when conducted as authorized by RCW 9.46.0321 at an authorized location.

(1) In all amusement games, a merchandise prize must be awarded to the player, if the player is successful at achieving the objective of the game, with one cost of play.

(2) All amusement games operated within the state of Washington must meet the standards of at least one of the following classifications:

(a) Group I – Ball toss/kick games: The player throws or kicks a ball or balls in order to achieve a specified goal. Upon achieving the goal of the game, the player is awarded a prize.

(i) All balls for each game must be uniform in size and weight.

(ii) All targets for each game must be of the same weight and size or the operator must color code the target and advise the player of the difference in targets if the difference is not visible to the player.

(iii) No target may have a loose or floating weight.

(iv) The weight of any target will not exceed seven and one-half pounds.

(v) When the goal is to estimate the speed of the ball thrown or kicked, a minimum of three balls will be used to estimate the speed by the player and one ball for the actual throw or kick.

(vi) When ping pong or similar light weight balls are utilized in games requiring the ball to be tossed into a dish, saucer, cup or similar container, water must be placed in the bottom of each such container.

(b) Group II – Dart games: The player throws one or more darts into a target or target area. Upon successfully achieving a predetermined score, pattern, penetrating and/or breaking a target, or just sticking in the target, the player is awarded a prize.

(i) All darts must be uniform in size and in original condition with the point sharp or functional suction-cup darts and all feathers or tail sections intact.

(ii) The targets and target area for all dart games must be of a material capable of being penetrated and retaining a metal tip dart; or holding a suction-cup dart.

(iii) The target area will be in the rear of the stand and will be at least three feet but not more than fifteen feet from a foul line.

(iv) In "add em up games," when the player must achieve a predetermined score, all darts stuck on the lines will receive another throw. The player has the right to add up the score of the darts thrown.

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(c) Group III – Hoop or ring toss games: The player must toss one or more hoops or rings over one or more targets which may consist of bottles, pegs, blocks, prizes, or any item capable of having a ring or hoop tossed over it.

(i) The operator must specifically advise the player as to the degree that the hoop(s) or ring(s) must go over the target.

(ii) All hoops or rings for each game must be uniform in size and shape and must be capable of going over the target.

(iii) All targets used at an individual stand must be the same size or the operator must disclose to the player by posting signs or using color codes to denote the different sizes.

(d) Group IV – Coin/token toss games: The player or players toss one or more coins or tokens onto a surface or into a target or target area. The game must have a clear and unobstructed thirty-six inch vertical airspace above the target, target area, or surface. The target, target area, or surface must be level. Any game which has a target or target area of four square inches or less must award a prize if any part of the coin or token is within the target or target area.

(e) Group V – Eye/hand coordination games: The player or players perform a task or tasks which requires the player to use the coordination between their hand(s) and eye(s) to successfully complete the task or tasks. The task or tasks may include one or a combination of the following:

(i) Striking a moving or fixed object or target to include a sequence of moving or fixed objects or targets;

(ii) Causing object(s) to be launched at target(s) from a device. The objects are aimed so they may land in, on, or through a target(s) to include catching or having the object(s) caught in the target(s);

(iii) Dropping object(s) onto target(s) or target area(s) or surface(s), to include covering the target(s), target area(s), or surface(s) with the object(s);

(iv) Capturing, lassoing, hooking, or getting a hold of an object(s) and causing them to move or change position;

(v) Guiding object(s) or images through a pattern, maze, or task;

(vi) Climbing on, over, through, or around object(s); or

(vii) Similar tasks.

(A) If a player is required to cover a spot or specific target area, then the target or target area must be a circular spot.

(I) The player must receive at least five circular discs to drop on the target or target area.

(II) The diameter of the circular discs used to cover the target or target area must be at least sixty-four percent of the diameter of the target spot or area.

(III) The target spot or area must be permanently affixed to a solid surface.

(B) A regulation billiard table, balls, and cue must be used for any game requiring a player to perform any task or tasks normally associated with playing billiards or pool.

(C) In games where objects are launched, tossed, or catapulted at target(s), the launching device shall respond in an identical manner on repetitive uses when an equal amount of force is applied or selected by the player.

(f) Group VI – Strength test games: The player(s) tests their own strength in performing a task or tasks for a predetermined number of times or length of time. This may include hand, arm, or whole body strength and may also require the player to use a tool or instrument to strike an object or target, which may cause the object to be propelled or travel a specific distance. The task(s) may require the object(s) to strike another object(s) to achieve the objective.

(g) Group VII – Crane games: The player, using one or more of a variety of control methods, maneuvers a crane or claw device into a position to attempt to retrieve a prize. All games must meet the following conditions:

(i) At least twenty seconds playing time per operation.

(ii) Crane or claw must be capable of reaching, picking up, and dispensing all prizes contained within the machine.

(iii) The controls for the machine must be clearly labelled as to their function.

(iv) Prizes must be loose and shall not be packed, arranged, lodged, or intertwined in the machine in any way which would prevent the prize from being picked up by the crane or claw and dispensed.

(h) Group VIII – Penny fall games: Penny fall games are electronic or electro-mechanical games in which:

(i) The player inserts a coin or token into a chute;

(ii) The player controls the direction the coin or token falls by aiming the chute;

(iii) The coin or token will land on a flat surface or surfaces which have a sweeper(s) and/or a pusher arm moving across the surface or surfaces;

(iv) The surfaces shall be level and contain similar coins or tokens;

(v) A carefully aimed coin or token will cause coins or tokens on the flat surface(s) to be pushed or swept into holes or chutes dispensing the tokens or awarding a set number of tickets to the player;

(vi) The game may contain additional factors which if properly negotiated or struck by a coin or token, will award additional tickets to the player;

(vii) The additional factor may be in the form of targets that when lit, grant the player bonus tickets when the coin or token passes over the target;

(viii) Any such additional targets or bonus opportunities must be activated prior to the player inserting the coin or token to start play and must remain activated for a period of time sufficient to allow the player to attempt to strike or negotiate the targets or bonus opportunities;

(ix) The skill of the player must be the determining factor in the outcome of the game; and

(x) Merchandise prizes may be placed on the coins, tokens, or other surfaces in the game and if the prize is pushed into a hole or chute then it is awarded

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to the player. All such prizes must fit into or down the hole or chute in the game which awards prizes to the player.

(i) Group IX – Ball roll down games: The player rolls one or more balls to a target or target area. Upon achieving the objective of the game, the player is awarded a prize.

(i) Ball roll down games may be either one player attempting to score a predetermined number of points by landing in a target or target area, or striking and/or knocking down a target or targets.

(ii) Ball roll down games may be more than one player attempting to score a predetermined number of points, striking and/or knocking down a target(s), or landing in a target area. The first player to accomplish the goal is awarded a prize.

(j) Group X – Shooting games: A game in which the player or players use a device to fire a projectile or projectiles to hit a target or targets. The projectiles may include pellets, BB's, corks, water, electronic beams, light beams, balls, or suction-cup darts. The targets may be stationary or mobile. The player or players may be required to:

(i) Completely shoot out or obliterate a target or portion thereof;

(ii) Hit a target or specific portion thereof; or

(iii) Hold an electronic beam, light beam, or water stream on a target or portion thereof to achieve a specific result.

(A) All safety requirements of the local city or county ordinances must be observed by the operator and player(s).

(B) A short range shooting gallery must give a player at least four shots to shoot out a target which has a diameter of one-quarter inch or less, or at least one shot per target which must be struck. Targets must be at least one-half inch square and may include a bullseye section which the player must shoot out without touching the outside of the target.

(C) Shoot-out-the-star games must give the player at least one hundred projectiles in an automatic type device to shoot out a star which is no more than one and one-quarter inch from point to point.

(D) Games may award a prize based upon the number of players participating and use a combined score to determine the winner.

(E) If suction-cup darts are used in the game, a player must receive another turn if the dart does not stick to the target area.

(F) If targets must be knocked over or off of a shelf, then the bases of the targets must be uniform front and rear.

(G) If a player is required to destroy or obliterate all or part of a target, then the player must have the right to visually inspect the target at the conclusion of the game.

(k) Group XI – Cake walks and fish pond games: Cake walks and fish ponds, as commonly known, are amusement games. Cake walks involve a number of players walking on a numbered or color-coded circle while music is played. When the music stops, the player's prize is determined by the number or color of

the portion of the circle they are standing on. Fish ponds are games where players receive a prize every time they compete, by either hooking or capturing a fish or similar object floating in a pool of water with a number or symbol on the bottom of the fish or object which corresponds to a prize or the operator may place a prize directly onto the "line" or catching device of the player from behind a curtain or similar obstruction.

(3) All classifications of amusement games must be operated as either an attended amusement game as defined by WAC 230-02-511 or as a coin or token activated amusement game as defined by WAC 230-02-514.

(4) No amusement game shall award additional plays as a prize.

(5) Operators may introduce new games that meet the standards of the applicable classification without prior approval of the commission: Provided, That an operator must provide to the commission at least sixty days prior to such introduction a description of the game, the rules of play, and a justification for the classification selected: Provided, further, That upon notification by the director that the proposed game does not meet the selected classification, or otherwise violates a provision of law or commission rule, the game may not be introduced, or if already introduced, must be removed from play until its operation is brought into compliance with such law or rules. New games not falling within the classifications of this rule may be approved by the director for a twelve-month test period pending submission of a petition to amend the rule.

WAC 230-20-509 AMUSEMENT GAMES – CLASSIFICATION TO BE ASSIGNED BY OPERATOR. Licensed operators of amusement games shall evaluate each game being operated under their control and determine the group type, specified by WAC 230-20-508, of each game. Operators shall prepare a list of all such games which they plan to operate during each license year and submit this list to the commission. Such list shall contain the following information:

(1) The name under which the game is being played; and

(2) The group type of each game.

WAC 230-20-600 AMUSEMENT GAMES – LICENSEE TO GIVE NOTICE TO LOCAL POLICE JURISDICTION PRIOR TO CONDUCTING – INSPECTION OF EQUIPMENT BY POLICE. No person licensed to conduct amusement games shall conduct any such games at any location within the state of Washington without having first given notice to the local police agency of the jurisdiction within which the amusement games are to be conducted. Such notice shall be in writing, addressed to the head of the local police agency, and shall be delivered no less than ten days in advance of the date upon which the amusement games are to be conducted: Provided, That this time may be reduced by the chief officer of

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the local law enforcement agency for good cause shown.

Such notice shall include the following information:

(1) The name and address of the licensee, and the name and local address of the person exercising managerial authority over the conduct of the games at that location;

(2) The date or dates the amusement games will be conducted;

(3) The location at which the amusement games will be conducted.

The licensee shall not utilize any equipment in the conduct of the amusement games unless the equipment has been available for inspection by the local police agency for a period of two hours immediately preceding such utilization.

(4) The requirements in this section shall not apply to locating individual commercial amusement games at an existing location.

WAC 230-20-615 AMUSEMENT GAMES – MATERIAL DEGREE OF SKILL REQUIRED – STANDARDS. No amusement game shall be conducted within the state of Washington unless the outcome of said game depends to a material degree upon the skill of the contestant. The standard to be applied shall be the following:

(1) Do contestants' physical and or mental abilities play an important and integral role in determining the outcome of the game; and

(2) Would the success rate of the average contestant(s) improve with repeated play or practice.

If both subsections (1) and (2) of this section are present, a material degree of skill in the outcome of a game shall be deemed to be present.

WAC 230-20-620 AMUSEMENT GAMES – OBJECTS TO BE THROWN TO BE UNIFORM – SIMILAR GAMES NOT TO USE DIFFERENT OBJECTS UNLESS DESIGNATED. No person licensed to conduct amusement games shall conduct any such game within the state of Washington wherein the winning of a prize depends upon the player's ability to throw or project an object unless all such objects available to any player in said game are uniform in size and weight. No licensee shall conduct more than one game of a similar type on the same premises utilizing similar objects of a different size or weight, unless the difference in such objects is readily apparent or designated by, for example, use of a color scheme.

WAC 230-20-630 AMUSEMENT GAMES – FEES, RULES, PRIZES AND VARIATIONS IN OBJECTS TO BE POSTED – FEES TO BE PAID IN CASH OR SCRIP – PRIZES NOT TO DIFFER FROM THOSE POSTED. Amusement game operators shall fully inform players regarding all aspects of the activity, including at least the following:

(1) No person shall conduct any amusement game at any location within the state of Washington unless players are notified of the cost to play, rules of

play, and prizes available. Notification shall be by posting of a sign that is readily visible, unobstructed from view, made of permanent material, such as wood, poster board, metal or plastic, and all required information is imprinted by use of lettering at least one and one-half inches in height: *Provided*, That if the activity is a coin or token activated game and all aspects of the activity are within four feet of the player, the sign and information required by this subsection may either be preprinted on the machine by the manufacturer or by a sign attached to the machine. The lettering for such signs may be smaller than one and one-half inches in height as long as the sign is conspicuous and legible to players. The following information shall be imprinted on signs required by this section:

(a) Fees charged for playing;

(b) The rules by which the game is to be played;

(c) Prizes or numbers of tickets to be won;

(d) Any variation in the size or weight of objects utilized in the game which is not readily visible to the player;

(e) The name of the operator and an assigned concession number, if applicable; and

(f) The group number of the game being conducted.

(2) All licensees operating amusement games under a "limited location" license shall assign each concession a number and a list of all concessions and their assigned numbers shall be kept available in the concession office.

(3) No amusement games shall be conducted wherein the price charged for playing said game is paid other than in cash, or in an amount other than that posted upon the premises of said game. The term "cash" as used herein shall include checks. In addition, the operator may accept as consideration, tokens, scrip [script] or tickets, but only under the following conditions:

(a) The value of each token, ticket or item of scrip, as measured by the equivalent amount of cash which a player would have to present in lieu of said token, ticket or scrip, must be indicated on the face thereof;

(b) Said tokens, tickets or scrip [script] are not redeemable for cash;

(c) Said tickets or scrip shall bear the name of the operator or sponsor.

(4) No amusement games shall be conducted within the state of Washington wherein the prize to be given to a prospective winner is other than that posted upon the premises of said game: *Provided*, however, That after an individual player has won two or more prizes, an operator may offer said player the opportunity to exchange said prizes for one or more other prizes, but only if the prize to be received by the player in exchange was on display during the play of the game. Any prize system which requires forfeiture of previously won prize(s) in exchange for another play is prohibited. Operators of amusement games may utilize a scheme for distribution of prizes wherein the winners of individual prizes receive tickets, which are

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subsequently redeemable in combination with other tickets won for a merchandise prize.

WAC 230-20-670 COMMERCIAL AMUSEMENT GAMES – OPERATING RESTRICTIONS. Class B or above commercial amusement game licensees locating and operating amusement games at premises not owned, leased, or otherwise controlled by them, as authorized by WAC 230-04-138(5) shall comply with the following restrictions:

(1) Each location where commercial amusement games are operated shall be required to obtain an amusement game license;

(2) A charitable/nonprofit organization licensed to operate amusement games or any person licensed for Class A (premise only) commercial amusement games may enter into a contract with a Class B or above commercial amusement game licensee to operate amusement games on their premises. All contracts regarding the operation of amusement games shall be submitted to the commission and become part of the license file. Violations of the terms of the contract by a commercial amusement game operator may be grounds for suspension or revocation of their license. All contracts must be written and specific in terms, setting out the time of the contract, amount of rent or consideration to be paid, rent due dates, and all expenses to be borne by each party;

(3) The rent or consideration paid to a Class A commercial amusement game location may be based on a percentage of revenue generated by the activity if the method of distribution is specific;

(4) The rent or consideration paid to charitable/nonprofit organizations shall not be based on a percentage of revenue generated by the activity unless the amount returned to the organization is equal to or exceeds twenty-two percent of the gross gambling receipts. Shall be paid to the organization at least once a month;

(5) No Class B or above commercial amusement game operator shall allow operation of a game at a premise which has not been previously licensed by the commission.

WAC 230-20-680 COMMERCIAL AMUSEMENT GAMES – OPERATION RESTRICTIONS. (1) No person shall operate commercial amusement games in any location except under the following conditions:

(a) The operation of amusement games must be closely monitored and controlled to ensure all games

are operated in accordance with all provisions of this WAC title;

(b) The players are protected from fraud and game manipulation; and

(c) All games and/or machines are maintained in proper condition to ensure the operation is as approved by WAC 230-20-508.

(2) All locations where school-aged minors are allowed to play must be supervised by an adult during all hours of operation. The adult supervisor will ensure that school-age minors are prohibited from entry and/or playing amusement games in locations authorized by WAC 230-04-138 (1)(g), (i), (j), or (k) during school hours and after 10:00 p.m. on any day: Provided, That school-aged minors are prohibited from entry into licensed amusement game locations in regional shopping centers after the normal shopping area closing hours on Sunday through Thursday.

WAC 230-20-685 COMMERCIAL AMUSEMENT GAMES – WAGER AND PRIZE LIMITATIONS. For locations authorized under WAC 230-04-138 (1)(g), (i), (j), or (k) where school-aged minors are allowed to play, the following limitations shall apply.

(1) Prize limitations. No prize offered shall exceed a cost to the operator of two-hundred fifty dollars.

(2) Consideration. The maximum wager for play shall not exceed fifty cents.

WAC 230-20-700 COIN OR TOKEN ACTIVATED AMUSEMENT GAMES – STANDARDS. (1) All coin or token activated amusement games operated at locations authorized under WAC 230-04-138 (1)(f), (g), (i), (j), (k), or (l) must have nonresettable coin-in meters, the removal or disconnection of which stops the play of the machine. The meter must be certified as accurate to within plus or minus 1 coin or token in 1,000 plays.

(2) All coin or token activated amusement games must have a coin acceptor capable of taking money for one play and may have an additional acceptor to include paper money. All games utilizing paper money acceptors shall either return change or clearly disclose to the customer that change is not returned by the device and where on the premises this change may be obtained prior to play. Operators using amusement games that do not return change must have a change-making bill acceptor or the ability to obtain change, in the immediate vicinity of such games.

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RCW 9.46.0331 AMUSEMENT GAMES AUTHORIZED – MINIMUM RULES. The legislature hereby authorizes any person to conduct or operate amusement games when licensed and operated pursuant to the provisions of this chapter and rules and regulations adopted by the commission at such locations as the commission may authorize. The rules shall provide for at least the following:

(1) Persons other than bona fide charitable or bona fide nonprofit organizations shall conduct amusement games only after obtaining a special amusement game license from the commission.

(2) Amusement games may be conducted under such a license only as a part of, and upon the site of:

(a) Any agricultural fair as authorized under chapter 15.76 or 36.37 RCW; or

(b) A civic center of a county, city, or town; or

(c) A world's fair or similar exposition that is approved by the bureau of international expositions at Paris, France; or

(d) A community-wide civic festival held not more than once annually and sponsored or approved by the city, town, or county in which it is held; or

(e) A commercial exposition organized and sponsored by an organization or association representing the retail sales and service operators conducting business in a shopping center or other commercial area developed and operated for retail sales and service, but only upon a parking lot or similar area located in said shopping center or commercial area for a period of no more than seventeen consecutive days by any licensee during any calendar year; or

(f) An amusement park. An amusement park is a group of activities, at a permanent location, to which people go to be entertained through a combination of various mechanical or aquatic rides, theatrical productions, motion picture, and/or slide show presentations with food and drink service. The amusement park must include at least five different mechanical, or aquatic rides, three additional activities, and the gross receipts must be primarily from these amusement activities; or

(g) Within a regional shopping center. A regional shopping center is a shopping center developed and operated for retail sales and service by retail sales and service operators and consisting of more than six hundred thousand gross square feet not including parking areas. Amusement games conducted as a part of, and upon the site of, a regional shopping center shall not be subject to the prohibition on revenue sharing set forth in RCW 9.46.120(2); or

(h) A location that possesses a valid license from the Washington state liquor [control] board and prohibits minors on their premises; or

(i) Movie theaters, bowling alleys, miniature golf course facilities, and amusement centers. For the purposes of this section an amusement center shall be defined as a permanent location whose primary source of income is from the operation of ten or more amusement devices; or

(j) Any business whose primary activity is to provide food service for on premises consumption and who offers family entertainment which includes at least three of the following activities: Amusement devices; theatrical productions; mechanical rides; motion pictures; and slide show presentations.

(3) No amusement games may be conducted in any location except in conformance with local zoning, fire, health, and similar regulations. In no event may the licensee conduct any amusement games at any of the locations set out in subsection (2) of this section without first having obtained the written permission to do so from the person or organization owning the premises or an authorized agent thereof, and from the persons sponsoring the fair, exhibition, commercial exhibition, or festival, or from the city or town operating the civic center, in connection with which the games are to be operated.

(4) In no event may a licensee conduct any amusement games at the location described in subsection (2)(g) of this section, without, at the location of such games, providing adult supervision during all hours the licensee is open for business at such location, prohibiting school-age minors from entry during school hours, maintaining full-time personnel whose responsibilities include maintaining security and daily machine maintenance, and providing for hours for the close of business at such location that are no later than 10:00 p.m. on Fridays and Saturdays and on all other days that are the same as those of the regional shopping center in which the licensee is located.

(5) In no event may a licensee conduct any amusement game at a location described in subsection (2)(i) or (j) of this section, without, at the location of such games, providing adult supervision during all hours the licensee is open for business at such location, prohibiting school-age minors from playing licensed amusement games during school hours, maintaining full-time personnel whose responsibilities include maintaining security and daily machine maintenance, and prohibiting minors from playing the amusement games after 10:00 p.m. on any day.